

**State of Idaho**  
**Water Pollution Control State Revolving Fund**  
**Intended Use Plan**

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## **IDAHO REVOLVING FUND**

### **INTENDED USE PLAN**

**June 22, 2006 BOARD APPROVED**

#### **I. Introduction**

The State of Idaho, Department of Environmental Quality (DEQ) proposes to adopt the following Intended Use Plan (IUP) for the State fiscal year 2007 (July 1 through June 30) as required under Section 606c of the Clean Water Act.

The primary purpose of the IUP is to identify the proposed annual intended use of the funds available in Idaho's Water Pollution Control Loan Account. Projects on the Priority List, from which this IUP was derived, have been reviewed by the public in accordance with Idaho's Administrative Procedures Act (Idaho Code Title 67, Chapter 52) and approved by the State Board of Environmental Quality.

The IUP includes the following:

- lists of prospective loan projects including payment schedules for those most likely to qualify for a loan
- long-term and short-term goals
- assurances and specific proposals
- criteria and methods for distribution of funds
- attachments relevant to the above

Available funding for projects during the State fiscal year 2007 is estimated to be \$52,311,539 as documented in the worksheet on the following page. This methodology of estimating funding should accelerate the pace of drawing down the cash balance of the fund by recognizing revenues out two years and obligating against those revenues. In the past revenues were only recognized for one year in advance.

**Resources:**

**Cash on Hand 4/1/06** \$76,335,977

**EPA Capitalization Grant FFY2005** 0

**State Match** 0

**EPA Capitalization Grant FFY2006** 4,242,300

**State Match** 848,460

**Loans Receivable:**

**SFY 2006 (4/1/06-6/30/06)** 1,044,517

**SFY 2007** 6,613,496

**SFY 2008** 6,613,496

**Interest on Cash**

**SFY 2006 (4/1/06-6/30/06)** 800,045

**SFY 2007** 3,200,181

**SFY 2008** 3,200,181

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**Total Resources:** \$102,898,653

**Current Remaining Loan Obligations:** (\$53,249,594)

(Loans in construction less disbursements)

Add back: 5 percent Project shrinkage 2,662,480

(Some projects will self-finance and

reduce disbursement requests from

the Clean Water State Revolving Fund (CWSRF))

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**Net Remaining Loan Obligations:** (50,587,114)

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**NET RESOURCES AVAILABLE TO LOAN** \$52,311,539

**Key Assumptions:**

Projects take 30 months to construct and close from date of loan signing. We will use the **Total Resources** amount for the next 27 months to facilitate a conservative cashflow analysis.

New loan obligations cannot exceed **NET RESOURCES AVAILABLE TO LOAN**. Our next projection will be made on 7/1/2006 or when loans signed from 4/1/06 forward exceed the **NET RESOURCES AVAILABLE TO LOAN** amount, whichever event comes first.

## II. **List of Projects**

Attachment I, List of Fundable Projects, contains the projects expected to be funded that were selected from the State fiscal year 2007 CWSRF project Priority List which is Attachment II. Projects are arranged on the list in priority order. Both project lists were widely disseminated for public comment (through major newspapers and via the internet).

The first use requirement of the Act [Section 602(b)(5)], relating to National Municipal Policy (NMP) does not apply in Idaho since all NMP needs have been met with separate funds in the form of state and federal grants and separate state loans in Federal fiscal year 1989.

## III. **Long-and Short-Term Goals**

DEQ's long-term goals are to:

1. Protect public health and the waters of the state by offering financial assistance for the construction of wastewater treatment facilities.
2. Assist local communities as they strive to achieve and maintain statewide compliance with federal and state water quality standards.
3. Administer Idaho's Water Pollution Control Loan Account to ensure its financial integrity, viability and revolving nature in perpetuity.

DEQ's short-term goals are to:

1. Perform all necessary tasks to assure that all loan assistance requested from Federal fiscal year 2006 funding is provided for projects on the list in a timely manner.
2. Provide funding for the non-point source projects when they are identified in Attachment I. A major component of this goal will be an improved marketing effort directed at potential sponsors of non-point source projects.
3. Simplify accounting structure and acquire/install new accounting/project tracking software by beginning of the State fiscal year 2007.

## IV. **Information on the Activities to be Supported**

### A. **Allocation of funds**

The primary type of assistance to be provided by the CWSRF is expected to be low interest loans for up to 100 percent of project costs. The rate of interest in the State fiscal year 2007 will be 3.25 percent for loans awarded directly by DEQ. Loans to the Idaho Soil Conservation Commission will be at 2 percent. All loans will be paid back over a period not to exceed 20 years. Principal and interest repayments must begin no later than one year after the initiation of operation date.

B. Administrative Costs of the CWSRF

DEQ plans to reserve not more than four percent of the capitalization grant for administrative expenses and supplement the capitalization grant reserves with 1 percent loan fees. DEQ estimates that in its first year of fee collection (State fiscal year 2007) the total fees collected will total approximately \$377 thousand. These fees will initially be used to establish a fund reserve to allow for continued operation of the program in case of future capitalization funding shortfalls.

C. Loan Eligible Activities

CWSRF loans will provide for planning, design and construction of secondary, advanced secondary, interceptors and appurtenances for infiltration/inflow correction, collector sewers and rehabilitation. CWSRF loan assistance will be provided to local communities, counties, sewer districts, and non-profit sewer associations for the construction of publicly owned wastewater treatment facilities. Loans may also be provided to sponsors of non-point source projects to implement water pollution control projects. Such projects must be consistent with the State Water Quality Management Plan and demonstrate a nexus or benefit to a municipality.

V. Assurances and Specific Proposals

A. Environmental Reviews - 602(a)

DEQ certifies that it will conduct environmental reviews of each wastewater treatment project receiving assistance from the CWSRF. DEQ will follow EPA approved NEPA-like procedures in conjunction with environmental reviews.

These procedures are outlined in Section 58.01.12.042 of the state Rules for Administration of Water Pollution Control Loans. More detailed procedures are embodied in the Wastewater Facilities Loan Account Handbook of Procedures (Chapter 5).

B. Binding Commitments - 602(b)(3)

DEQ will enter into binding commitments for 120 percent of each quarterly payment within one year of receipt of that payment. Binding commitment dates are listed in Section VI of this plan.

C. Expeditious and Timely Expenditures - 602(b)(4)

DEQ will expend all funds in the CWSRF in a timely and expeditious manner.

D. First Use Enforceable Requirements - 602(b)(5)

DEQ certifies that all major and minor Waste Water Treatment Facilities that the state has previously identified as part of the National Municipal Policy Universe are:

- (a) in compliance, or
- (b) on an enforceable schedule, or
- (c) have an enforcement action filed, or

- (d) have a funding commitment during or prior to the first year covered by an IUP.

E. Compliance with Title II Requirements - 602(b)(6)

DEQ has met the specific statutory requirements for publicly-owned wastewater treatment projects constructed in whole or in part before the State fiscal year 1995 with funds directly made available by federal capitalization grants. Therefore, DEQ no longer plans to use its federal capitalization grant and state match on "equivalency projects." These projects meet the sixteen specific statutory requirements provided by Section 602(b)(6) of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4 and are eligible under 201(b), 201(g)(1) and (2), 201(N) and 211.

However, DEQ agrees to comply with and to require recipients of loans from Idaho's Water Pollution Control Loan Account to comply with applicable federal cross-cutting requirements. DEQ will notify EPA when consultation or coordination by EPA is necessary to resolve issues regarding these requirements.

F. State Matching Funds - 602(b)(2)

DEQ agrees to deposit into the CWSRF from state monies an amount equal to twenty percent of the capitalization grant on or before the date on which the state receives each cash draw from EPA. These funds will be transferred from Idaho's Water Pollution Control Account.

G. State Laws and Procedures - 602(b)(7)

DEQ agrees to expend each quarterly grant payment in accordance with state laws and procedures.

H. Consistency with Planning

DEQ agrees that it will not provide assistance to any wastewater treatment project unless that project is consistent with plans developed under Section 205(j), 208, 303(e), 319, or 320.

I. Reporting

DEQ agrees to provide data or information to EPA as may be required for national reports, public inquiries, or Congressional inquiries.

DEQ will comply with reporting requirements of the EPA Order on Environmental Benefits. This will include completion of the electronic "one-pager" for all funded projects. A hard copy of each "one-pager" will be provided to EPA with the Annual Report.

VI. **Criteria and Method for Distribution Of Funds**

The following principles and procedures will be the basis for the administration, funding, allocation and distribution of the CWSRF monies. They are designed to provide maximum flexibility for assistance and assure long-term viability of the revolving program.

A. Program Administration

Four percent of the capitalization grant provided by EPA will be set aside to be used for program administration. Program administration costs will be met by capitalization grant allocations.

B. CWSRF Priority List

Letters of Interest were sent to all cities, counties and water and sewer districts in the state. Returned Letters of Interest and Priority List rating forms were sent to Project Engineers in DEQ regional offices to complete a rating of projects in each region. The result of the rating and ranking was the preliminary Priority List that was presented during the public review and comment period. Separate Letters of Interest were sent to potential non-point source applicants. Projects are rated using the following criteria:

1. 150 points                      - Public health emergency certified by the DEQ Board or a Health District Board
2. 70 to 100 points              - Regulatory Compliance Status
3. 0 to 100 points                - Watershed restoration
4. 0 to 100 points                - Watershed protection
5. 0 to 100 points                - Preventing impacts to uses
6. 0 to 50 points                 - Secondary incentive ranking points

Attachment III contains the guidance document which fully explains how DEQ staff applied the above criteria when rating individual projects.

C. Fundable Projects

The highest rated projects on the adopted Priority List **that are ready to proceed** are selected for funding and are listed on the IUP. These fundable projects are listed on Attachment I. DEQ staff starts at the top of the Priority List and works as far down the list as needed to select enough projects that are ready to proceed to use all of the funds that are available. In cases where a lower ranked project is selected it is because higher ranked projects have not indicated a readiness to proceed.

In some cases the project amount on Attachment I may be less than the project amount on the Priority List. The Priority List amount is the estimate of the total project cost, while the costs on Attachment I are the amount that project applicants expect to borrow from the CWSRF. In each case the difference will be provided from some other source

such as cash on hand or a grant from the Community Development Block Grant program administered by the Idaho Department of Commerce and Labor.

D. Disbursements

The estimated timing and amount of disbursements for the projects on the new IUP are added to the latest cash disbursement request projections for prior year funded and projected projects. The projections are normally provided to EPA in July each year. The projections are based upon estimated disbursement schedules submitted by loan recipients and projected timing of loan agreements, adjusted for corrections by regional project engineers and state office staff. These disbursements are tracked on an on-going basis to project needed cash from all capitalization grants and state match. All funds will be expended in an expeditious and timely manner.

E. Federal Payments

Idaho's proposed payment schedule for each capitalization grant is based upon the projected timing of signed loan agreements with projects listed on the current and prior IUPs. This allows for adjustment of prior IUP projects to be reflected in the federal payment schedule.

F. State Match

Idaho's match for all capitalization grants is provided from funds that are drawn from the state Water Pollution Control Account. The Water Pollution Control Account derives its funding from a set amount of \$4.8 million from the state sales tax and is perpetually appropriated to DEQ under Idaho Code Title 63, Chapter 36.

VII. **Additional Information Requirements**

A. Public Review and Comment

Projects on the State fiscal year 2007 CWSRF List of Fundable Projects and Project Priority List were approved by the DEQ Board at the June 22, 2006 meeting. Copies of the list were made available in the regional and state offices, allowing at least twenty one days for public comment. Also, notices of the Priority List review process were printed in major Idaho newspapers and notice was given to a large list of private interested parties such as consulting engineers, local governments and local government advocacy groups, allowing at least twenty one days for public comment.

In addition to the above, the draft IUP including the Fundable List and Project Priority List was posted on the DEQ website during the comment period.

B. Bypass Procedures

A project that does not or will not meet the project target date or a DEQ schedule that allows for timely utilization of loan funds may be bypassed, substituting in its place the next highest ranking project(s) that is ready to proceed (Rules IDAPA 16.01.12020,06).



DEQ intends to utilize Priority List ranking as much as possible when preparing the IUP. However, the lack of adequate funding, changes in project scopes, failure to pass a bond election, or other unforeseen circumstances may require that a project on the IUP be removed. If a project is removed, DEQ will offer loan funds to the highest ranked, ready-to-proceed project from the most current approved Priority List.

## LIST OF FUNDABLE PROJECTS

Rank	Project Name	Loan Amount	Project Description	Est. Commit. Date	County and DEQ Regional Office	FY 2007 Rating
1	City of Ammon	\$15,000,000	Construct a regional system in conjunction with the City of Shelley. The construction will consist of collection and transmission lines to connect to the wastewater treatment facility at the City of Shelley.	8/1/2006	Bonneville County (Idaho Falls Regional Office)	150
*2	City of Reubens	640,000	The City of Reubens will use the loan proceeds to construct a new secondary system.	9/1/2006	Lewis County (Lewiston Regional Office)	150
4	City of Rigby	7,000,000	The loan will be used for the acquisition, construction and installation of improvements to the existing system, to include: new flow meters, wastewater treatment liners, new disinfection system and replacement of portions of the collection system.	9/1/2006	Jefferson County (Idaho Falls Regional Office)	148
5	Stanley Sewer Assoc	350,000	The current collection system is in need rehabilitation (repairs are required to eliminate infiltration/inflow from main pipelines, manholes and sewer service laterals. Additionally, sections of main pipeline, manholes and pump stations require rehabilitation.	9/1/2006	Custer County (Idaho Falls Regional Office)	147
6	City of Shelley	6,000,000	The average daily flow of the facility exceeds the design capacity and the effluent quality periodically violates the NPDES permit. In addition, background levels of nutrients must be monitored. These improvements will be addressed along with the regionalization effort with the City of Ammon.	8/1/2006	Bingham County (Pocatello Regional Office)	143
7	City of Teton	1,120,000	The City will use the loan to enhance disinfection capabilities, add pump for land application, make improvements to its land application system and perform a lagoon upgrade.	8/1/2006	Teton County (Idaho Falls Regional Office)	141
8	City of Soda Springs	6,290,000	The current plant cannot meet ammonia discharge standards and Soda Springs will use the loan proceeds to upgrade their facility to meet the NPDES permit requirements.	8/1/2006	Caribou County (Pocatello Regional Office)	137
9	City of Buhl	9,741,847	The City will use the loan proceeds to upgrade its wastewater treatment, make improvements and upgrades to its mechanical plant, interceptor upgrade and rehabilitate its sewer.	10/1/2006	Twin Falls County (Twin Falls Regional Office)	135
*19	City of Bellevue	6,000,000	The wastewater treatment facilities expansion would include: completion of a new mechanical treatment plant, performing lift station pump upgrades and the purchase of additional land to accommodate the construction of a new treatment facility.	8/1/2006	Blaine County (Twin Falls Regional Office)	112
	Administrative Cost	169,692	This represents 4% of the EPA Federal Fiscal Year 2006 capitalization grant; which is allowed to meet the costs of administering the SRF program at the state level.		State Office	
Total		<u>\$52,311,539</u>				

\* NOTE: Projects with an asterisk in the "Rank" column are carried over from fiscal year's 2006 list. These communities had began the loan application process during fiscal year 2006; however, the loan process was not completed during the same year and so the projects were carried forward.

This list contains projects that are the highest rated that are ready to proceed. Projects on this fundable list may be bypassed if they do not complete

Comprehensive Wastewater Priority List for Fiscal Year 2007						
Rank	Project	FY 2007 Rating	Regional Office	DEQ Est. Loan Amt.	Needs Cat.	Project Description
1	City of Ammon	150	IFRO	\$15,000,000	I, IVB	New interceptor and treatment plant
*2	City of Reubens	150	LRO	\$640,000	I, IVA, B	The City of Reubens will use the loan proceeds to construct a new secondary system.
3	City of Greenleaf	150	BRO	\$655,000	I, IVA	MBR Treatment Plant and Collection System (Total System Improvements \$6,500,000)
4	City of Rigby	148	IFRO	\$7,000,000	I, IVB	New WW treatment plant with some ww collection system improvements
5	Stanley Sewer Assoc	147	IFRO	\$350,000	IVB	Collection system expansion and improvements
6	City of Shelley	143	PRO	\$6,000,000	I	Construct a new regional wastewater plant with secondary treatment capability at Shelley.
7	City of Tetonia	141	IFRO	\$1,120,000	I	Add disinfection, add pump for land application, make improvements to land application system, Lagoon upgrade
8	City of Soda Springs	137	PRO	\$6,290,000	I	Upgrade existing wastewater treatment facility.
9	City of Buhl	135	TFRO	\$13,000,000	II, IIIB	Treatment upgrade, mechanical plant, interceptor upgrade, sewer rehabilitation
*10	City of Moscow	127	LRO	\$3,750,000	I	Construction of a new effluent filtration system

Comprehensive Wastewater Priority List for Fiscal Year 2007						
11	City of Shoshone	126	TFRO	\$2,950,000	II	Treatment upgrade, lift station replacement
12	City of Newdale	124	IFRO	\$750,000	I	Add disinfection, add pump for land application, make improvements to land application system and lagoon system
13	City of Filer	121	TFRO	\$3,150,000	II, IIIB	Treatment Upgrade, sewer rehab
14	City of Hagerman	118	TFRO	\$901,774	II, IIIB	Treatment upgrade, Aerators, lift station rehab, new collectors for unserved area in City
15	City of Chubbuck	117	PRO	\$7,250,000	IVA, IVB	Implement Phase I of a multi-phase project to provide a collection infrastructure to north Bannock County.
16	City of Driggs	116	IFRO	\$5,000,000	I	New ww treatment facility to meet NPDES permit
17	Southside W&S District	113	CRO	3,000,000	I & II	Upgrade the treatment facilities and/or connect into city of Sandpoint's system.
18	NLRSD - Westside	113	BRO	\$6,300,000	II, IVA, IVB	Collection system improvements, construct parallel pressure sewer line, MBR funding assistance
*19	City of Bellevue	112	TFRO	\$6,000,000	I	Expand existing treatment facilities to match population growth and to solve a nitrate problem
20	City of Heyburn	111	TFRO	\$4,500,000	II	Treatment Upgrade; MBRs, sludge handling
21	City of Fairfield	111	TFRO	\$458,000	IIIB	Replace main lift station and force main
22	City of Franklin	103	PRO	\$2,000,000	I,II	Upgrade treatment system to accommodate growth
23	City of Wendell	101	TFRO	\$6,000,000	II, IIIB	Treatment update, add aerators, upgrade lift stations, line pond, add land application area

Comprehensive Wastewater Priority List for Fiscal Year 2007						
24	City of Hayden	100	CRO	8,500,000	II	Expand capacity of plant & add new headworks, secondary treatment & sludge facilities.
25	City of Bliss	98	TFRO	\$4,212,000	I,II,III	Construct collection system and treatment lagoons to replace existing septs with a central wastewater treatment system.
26	City of Kuna	94	BRO	\$20,778,000		MBR Treatment Plant, Headworks, Disinfection, RI Basins
27	City of Hazelton	92	TFRO	\$469,000	II,IIIB	Treatment upgrade, Aerators, lift station rehab, sewer rehab
28	Johnson Mobile Village/Moreland Sewer District	91	PRO	\$150,000	1	Connect to Moreland Sewer District
29	City of Meridian	89	BRO	\$13,375,000	I, II	Two mesophilic anaerobic digesters, digester building, centrifuge, sludge dryer, UV upgrades
*30	City of Dietrich	75	TFRO	\$600,000	I	Finish of the land application system
31	City of Richfield	56	TFRO	\$350,000	I, II, IVA, IVB	Expansion to accommodate development and to be defined in FP
32	City of New Meadows	39	BRO	\$480,000	I	Solids removal, pond liner replacement, aeration, pond cover and odor control

**Needs Categories:**

I Secondary Treatment      III Infiltration/Inflow Correction      IVA New Collector Sewers  
 II Advanced Treatment      IIIB Replacement/Rehabilitation      IVB New Interceptor Sewers  
 V Combined Sewer Overflows      VI Storm Sewer  
 VII-A NPS Agriculture-Cropland      VII-B NPS-Agriculture-Animals

**WARNING: USE OF THIS LIST AS A MAILING LIST OR AS A TELEPHONE NUMBER LIST IS PROHIBITED BY IDAHO CODE SECTION 9-348 AND IS PUNISHABLE BY A CIVIL PENALTY OF UP TO \$1,000.**

NOTE: Moscow, Dietrich, Bellevue and Reubens are carried over from previous year.

# Guidance for Integrated Priority System: Water Quality Project Ranking DEQ Water Pollution Control Loan Program

Priority  
Year

Final  
Score

PROJECT NAME \_\_\_\_\_  
 PROJECT ADDRESS (*Street or P.O. Box*) \_\_\_\_\_  
 City \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_  
 Contact Person \_\_\_\_\_  
 Date of Rating \_\_\_\_\_ Project Rater \_\_\_\_\_ Regional Office \_\_\_\_\_  
 Estimated Total Cost of Project \$ \_\_\_\_\_

## SECTION I. INTEGRATED PRIORITY SYSTEM

An integrated priority system will be used by the Department of Environmental Quality (DEQ) to annually allot available funds to water quality projects determined eligible for funding assistance under the water pollution control loan program in accordance with the **Rules for Administration of Water Pollution Control Loans (58.01.12)**. Each water quality project will be ranked using the integrated priority system in accordance with this guidance.

**Section I** includes five major rating categories, **A, B, C D and E**. Answer “**Yes**” to one rating category that best fits your project, then answer the questions related to that rating category in the appropriate subsection (**A, B, C, D or E**) in **Section II**. If the subject project does not fit any of the rating categories (i.e., you answer “**NO**” to all five questions) then it is not eligible for further funding considerations by the DEQ Loan Program.

- A) **Public Health Emergency or Public Health Hazard:** Will the proposed project eliminate an officially declared or designated water-borne public health hazard or public health emergency?  
       \_\_\_\_ Yes \_\_\_\_ No     If YES, go to page 2
- B) **Regulatory Compliance Status:** Will the proposed project minimize or resolve an existing legal action between the facility and either a state or federal agency?  
       \_\_\_\_ Yes \_\_\_\_ No     If YES, go to page 2
- C) **Watershed Restoration:** Will the proposed project address watershed restoration as identified in the Unified Watershed Assessment and Restoration Priorities for Idaho (UWA)? The UWA is in Appendix A-7 of the Idaho Nonpoint Source Management Plan which can be found on DEQ’s web site under **Publications**. Watershed Restoration projects are those that implement TMDLs to help restore watersheds.  
       \_\_\_\_ Yes \_\_\_\_ No     If YES, go to page 3

- D) **Watershed Protection from Impacts:** Will the proposed project address watershed protection as identified in the *Idaho Water Quality Standards* or the *Idaho Ground Water Quality Rule*? \* For point sources, these are primarily treatment and collection projects that are **NOT** directly driven by implementation of a TMDL.

\_\_\_\_ Yes \_\_\_\_ No      If YES, go to page 5

\* Available on the DEQ website under Rules and Policies at <[http://www.deq.idaho.gov/rules/admin\\_rules.cfm#links](http://www.deq.idaho.gov/rules/admin_rules.cfm#links)>.

- E) **Preventing Impacts to Uses:** Will the proposed project address prevention of watershed degradation? This rating subsection is reserved primarily for rating non-point source projects.

\_\_\_\_ Yes \_\_\_\_ No      If YES, go to page 6

If you have answered **Yes** to one category in this section (Section I), please advance to Sections II and III and answer questions in the appropriate subsections.

## SECTION II. WATER QUALITY PROJECT RANKING

Only statewide initiatives or regional on-the-ground implementation project proposals that have answered “Yes” to a subsection in **Section I** may be ranked under **Section II**.

### A. **Public Health Emergency or Public Health Hazard (Bypass Section III)**

**NOTE:** An emergency is an officially declared or designated public health hazard or emergency that is a documented health threat as certified by a Health District Board or the DEQ Board.

Emergency or Hazard*	<u>150</u>
No Emergency or Hazard	<u>0</u>

Section II, Item A Points \_\_\_\_\_ (0 or 150 pts)

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### B. **Regulatory Compliance Status (Bypass remainder of Section II and go directly to Section III)**

For purposes of qualifying for points in this subsection (Regulatory Compliance Status), the cause of non compliance and resulting legal actions should be restricted to infrastructure deficiencies at a permitted point source facility. The purpose of this subsection is not to assign points for non compliance resulting **purely** from system mismanagement or O&M deficiencies.

A permitted point source facility is required to comply with the EPA NPDES discharge permit and/or state water reuse permit. A facility is considered to be out of compliance if the facility is not meeting limits or conditions in the permit and legal action for non compliance has been set in place. The severity of legal actions vary depending on the impact or potential impact to water quality, the watershed or public health and how long attempts to resolve the problem(s) have been ongoing. Legal actions may include but are not limited to: a consent order, a notice of violation, an administrative order, a permit compliance schedule or assessment of monetary

penalties:  
(Choose one)

- **Low Level Non Compliance** – includes documented permit violations, DMRs, land application inspections or equivalent \_\_\_\_\_ 70 Pts
- **Moderate Level Non Compliance** – includes a 1<sup>st</sup> State or EPA Warning Letter, a notice of violation, or equivalent \_\_\_\_\_ 80 Pts
- **High Level Non Compliance** – includes 2<sup>nd</sup> State or EPA Warning Letter, consent order, permit compliance schedule, or equivalent \_\_\_\_\_ 90 Pts
- **Non Compliance Consequences Imposed** - Penalties assessed (e.g. monetary fines) \_\_\_\_\_ 100 Pts

Section II. Item B. Points \_\_\_\_\_ (0 to 100 pts)

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**C. Watershed Restoration**

The project implements best management practices or initiates construction of wastewater collection and treatment facilities as part of an approved TMDL, protects threatened waters identified through the Idaho's Nonpoint Source Management Program plan, or is part of a special water quality effort (e.g., Governors Bull Trout Conservation Plan). **Score the subject project under numbers 1 and 2 of this section (Watershed Restoration).**

1. Status - Points can be assigned based upon the priority of the listed 303(d) water as indicated on the 8-year TMDL schedule, implications to threatened or endangered species, impacts to a sole source aquifer, impacts to an outstanding resource water or impacts to sensitive or special resource ground water, or compliance with an NPDES or Wastewater Land Application permit. **Select one subpart (a, b, or c) and complete a rating for the subject project.**

**a. No Status**

Is not included on a current 303 (d) list, is not on a TMDL schedule, is not out of compliance with a NPDES permit or water reuse permit, is not part of a known special surface or groundwater category or listing, or does not affect listed threatened or endangered species. \_\_\_\_ 0 pts

**b. Medium Status**

Project is Located on a medium priority 303(d) water body on the 8-year TMDL Schedule (2005 and 2006 on the 8-year schedule) \_\_\_\_ 12pts

- Status of the TMDL in project subbasin: (**Choose all that apply**)

- TMDL completed but not approved No 0 pts / Yes 5 pts \_\_\_\_\_

- TMDL Approved by EPA No 0 pts / Yes 5 pts \_\_\_\_\_

- TMDL Implementation Plan approved by DEQ

No 0 pts / Yes 5pts \_\_\_\_\_



- Expected benefits to a sole-source aquifer and other ground water resources: **(Choose one)** Low \_\_\_\_\_ 1 Medium \_\_\_\_\_ 3 High \_\_\_\_\_ 5
- Expected reduction in impacts to threatened and endangered Species: **(Choose one)**  
Low \_\_\_\_\_ 1 Medium \_\_\_\_\_ 3 High \_\_\_\_\_ 5
- Current level of compliance with NPDES and water reuse permits: **(Choose one)**  
Low \_\_\_\_\_ 5 Medium \_\_\_\_\_ 3 High \_\_\_\_\_ 1  
**Subtotal \_\_\_\_\_ (0 to 42 pts)**

**c. High Status**

Project is located on a high priority 303(d) water body according to the 8-year TMDL schedule (2004 and earlier on the 8-year schedule) \_\_\_\_\_ 20 pts

- Status of the TMDL in project subbasin: **(Choose all that apply)**
  - TMDL completed but not approved No 0 pts / Yes 5 pts \_\_\_\_\_
  - TMDL Approved by EPA No 0 pts / Yes 5 pts \_\_\_\_\_
  - TMDL Implementation Plan Approved by DEQ No 0 pts / Yes 5 pts \_\_\_\_\_
- Impacts to a sole-source aquifer and other ground water resources: **(Choose one)** Low \_\_\_\_\_ 1 Medium \_\_\_\_\_ 3 High \_\_\_\_\_ 5
- Expected benefits reduction in impacts to threatened and endangered Species: **(Choose one)** Low \_\_\_\_\_ 1 Medium \_\_\_\_\_ 3 High \_\_\_\_\_ 5
- Level of compliance with NPDES and water reuse permits: **(Choose one)** Low \_\_\_\_\_ 5 Medium \_\_\_\_\_ 3 High \_\_\_\_\_ 1  
**Subtotal \_\_\_\_\_ (0 to 50 Pts)**

2. Potential for Restoration Points - Points are awarded according to the expected effectiveness of the project and the transferability of the demonstrated technologies to other parts of the State of Idaho. The proposed project will either restore designated or existing beneficial uses, reduce the severity of nonpoint source impacts, or will promote statewide nonpoint pollution reduction or remediation.  
**Select one subpart below:**

- No load reduction or effectiveness calculations provided \_\_\_\_\_ 0 Pts
- Improvements are minor (ex. <25% estimated reduction in pollutant load) or statewide project will require substantial capital/manpower commitment: \_\_\_\_\_ 15 Pts
- Designated or existing beneficial uses of surface or ground water are partially restored and the impacts are reduced (ex. >25% reduction but <75% reduction in pollutant load) or statewide project will require moderate capital/ manpower commitment: \_\_\_\_\_ 30 Pts
- Designated or existing beneficial uses of surface or ground water are partially restored or the impacts are reduced (ex. >75% reduction but <100% reduction in pollutant load) or statewide project will require minimal capital/manpower

commitment:

\_\_\_\_\_ 50 Pts

**Section II. Item C. Points \_\_\_\_\_ (0 to 100 pts)**

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**D. Watershed Protection from Impacts**

Score the subject project under number 1, 2, and 3 of Watershed Protection from Impacts.

1. Points will be assigned based upon impacts to the watershed, water quality or public health such as the number of stream miles impacted; the number of lake/reservoir surface acres impacted; the extent of groundwater impacts to beneficial uses or; ability of a statewide project to promote point- or nonpoint source pollution reduction or mitigation. Proposed project applicants must include a map showing the impact area of the proposed water quality projects to receive more than the minimal score. (Select one Subpart (a, b, or c) and complete the rating for the subject project.)

a. **Low Impact** (Select one)

- i. Point Source contributes little evident impact to watershed and is in substantial compliance with NPDES permit and/or water reuse permit \_\_\_\_\_ 5 Pts
- ii. Nonpoint Source contribution or statewide NPS project initiatives (i.e., less than 5 miles or 200 acres effected or minor impacts to ground water) have low impact. \_\_\_\_\_ 5 Pts

b. **Moderate Impact**

- i. Point Source contributes moderate evident impact to watershed and is in substantial compliance with NPDES permit and/or water reuse permit \_\_\_\_\_ 15 Pts
- ii. Nonpoint Source contribution or statewide NPS project initiatives (i.e., less than 5 miles or 200 acres effected or minor impacts to ground water) have moderate impacts. \_\_\_\_\_ 15 Pts

c. **High Impact**

- i. Point Source contributes severe impacts to watershed and is in substantial compliance with NPDES permit and/or water reuse permit \_\_\_\_\_ 35 Pts
- ii. Nonpoint Source contribution or statewide NPS project initiatives (i.e., less than 5 miles or 200 acres effected or minor impacts to ground water) have severe impacts. \_\_\_\_\_ 35 Pts

2. Potential for Restoration Points - Points are awarded according to the expected effectiveness of the project and the transferability of the demonstrated technologies to other parts of the State of Idaho. The proposed project will either restore designated or existing beneficial uses, reduce the severity of point- or nonpoint source impacts, or the project will promote statewide nonpoint pollution reduction or remediation.  
(Select one subpart below)
  - a. No load reduction or effectiveness calculations provided: \_\_\_\_\_ 0 Pts
  - b. Improvements are minor (ex. <25% estimated reduction in pollutant load) or statewide project will require substantial capital/manpower commitment: \_\_\_\_\_ 5 Pts
  - c. Designated or existing beneficial uses of surface or ground water are partially restored and the documented impacts are reduced (ex. >25% reduction but <75% reduction in pollutant load) or statewide project will require moderate capital/manpower commitment: \_\_\_\_\_ 15 Pts
  - d. Designated or existing beneficial uses of surface or ground water are partially restored and the documented impacts are reduced (ex. >75% reduction but <100% reduction in pollutant load) or statewide project will require minimal capital/manpower commitment: \_\_\_\_\_ 35 Pts
3. Nexus/benefit to municipality - Points are awarded based on the commitment of a municipality to directly benefit for implementing or financing a portion of the proposed project. A municipality-driven project is awarded the maximum 30 points.  
  
Community/Agency Support: (Choose one)
  - a. No support letters. \_\_\_\_\_ 0 Pts
  - b. One to Two support letters. \_\_\_\_\_ 10 Pts
  - c. Three or more support letters OR municipal-driven project. \_\_\_\_\_ 30 Pts

**Section II. Item D. Points \_\_\_\_\_ (0 to 100 pts)**

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**E. Preventing Impacts to Uses**

**Score project under numbers 1, 2, and 3 of this section (Preventing Impacts and Uses).**

1. Points will be assigned based upon the documented number of designated beneficial uses impacted by nonpoint source pollutants. (Select a subpart (a, b, c, or d) and complete a rating for the subject project.)

Number of use Impacts:

- a. No Impacts \_\_\_\_\_ 0 Pts
  - b. One or Two Uses Impacted \_\_\_\_\_ 10 Pts
  - c. Three or Four Uses Impacted \_\_\_\_\_ 25 Pts
  - d. Four or more Uses Impacted \_\_\_\_\_ 40 Pts
2. Nexus/benefit to municipality - Points are awarded based on the commitment of a municipality for implementing or financing a portion of the proposed project.

Community/Agency Support: (Select one subpart below.)

- a. No support letters. \_\_\_\_\_ 0 Pts

- b. One to Two support letters. \_\_\_\_\_ 20 Pts
  - c. Three or more support letters. \_\_\_\_\_ 40 Pts
3. State and National Priorities - Points will be assigned based upon recognition of the special status of waters or uses of those waters.

**Instruction: answer statements below: a, b, both a and b, or c if not applicable:**

- a. State Priorities - The project impacts either: a State Park or State Recreational Area, a blue ribbon fishery, water classified as a special or outstanding resource water, or designated as part of a sole source aquifer, an area of high ground water vulnerability, or the project enhances the State's nonpoint source management program. \_\_\_\_\_ 10 Pts
- b. National Priorities - A nonpoint source or statewide initiative project is intended to positively impact either: a threatened or endangered species, a wilderness area, a Wild and Scenic River or a sole source aquifer. \_\_\_\_\_ 10 Pts
- c. Not Applicable \_\_\_\_\_ 0 Pts

**Section II. Item E. Points \_\_\_\_\_ (0 to 100 pts)**

## **SECTION II. -- WATER QUALITY PROJECT RANKING**

**SUBTOTAL POINTS for SECTION II = \_\_\_\_\_ (0 to 150 pts)**

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## **SECTION III. SECONDARY INCENTIVE PROJECT RANKING**

All projects are ranked under Section III criteria with the exception of A Public Health Emergency or Public Health Hazard. Section III criteria are established to further rate Water Quality Project Rankings from **Section II** of this Guidance form.

Answer the following set of questions specifically as it relates to the project. Each answer that receives points accordingly should be subtotaled for **Section III** and added to the score from **Section II** for "Grand Total Points." **Answer one subpart per question and calculate the cumulative in the Subtotal.**

1. Is project ready to proceed? The level of readiness will be based on the following milestones: **(Choose one)**

- No Facility Plan \_\_\_\_\_ 0 pts
- Consultant hired for Facility Plan Preparation \_\_\_\_\_ 3 pts
- Draft Facility Plan \_\_\_\_\_ 5 pts
- Approved Facility Plan and Environmental Review Completed \_\_\_\_\_ 7 pts
- 10% or more (Preliminary) Design Completed \_\_\_\_\_ 9 pts

Resulting monthly user service (charges) rates as an outcome of the project (e.g., hardship, etc.). (Choose one) Up to \$20 \_\_\_\_3 pts \$20 to \$30 \_\_\_\_6 pts \$30 \_\_\_\_9 pts

3. Is financial documentation in place to ensure payback assurance? **(Choose one)**

No Plan	_____ 0 pts
Bond council or financial consultant retained	_____ 5 pts
Legal instrument(s) in place (e.g., bond election, bylaws, etc.)	_____ 9 pts

4. Project will correct a water quality impact being created by current point or nonpoint wastewater disposal practices? **(Choose one)** \_\_\_\_\_ 3, 6 or 9 pts
5. Project will correct an existing or potential health hazard (not emergency) being created by current point or nonpoint wastewater disposal practices? **(Choose one)** \_\_\_\_\_ 7, 11 or 14 pts

**Section III Point Total** \_\_\_\_\_ **(0 to 50 Pts)**

**GRAND TOTAL POINTS FOR SECTIONS II and III** \_\_\_\_\_ **(0 to 150 Pts)**

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ATTACHMENT IV

**EPA PAYMENT SCHEDULE**

FFY2006 IUP

<u>Quarter Ending</u>	<u>Payments</u>	<u>Total</u>
9/2006	\$169,692	\$169,692
12/2006	4,072,608	4,242,300

Payments are defined as increases to the amount of funds available from the Automated Clearinghouse (ACH).

PUBLIC NOTIFICATION AND INVOLVEMENT STRATEGY  
FOR STATE FISCAL YEAR 2007 WASTEWATER  
AND DRINKING WATER PRIORITY LISTS

The public was involved in the FY2007 Priority List development at several points in the process. Involvement for the drinking water and water pollution control lists were solicited directly from the systems through a survey of system interest was mailed out by the DEQ early in the Priority List process. Information on the completed letter of interest forms was used by the State and Regional office staff in preparing draft lists. A copy of the letter of interest form, and the cover letter that was sent with it, are included as attachments here. We are finding that combining information obtained directly from eligible entities with that provided by our engineering staff results in the most accurate listing of infrastructure needs.

Notification that all four State fiscal year 2007 Priority Lists were available for public review was given in Idaho's six major (regional) newspapers for approximately twenty-one days. Notices were published three times in each of the newspapers. Copies of proofs of publication are included as attachments here.

Notification of availability of the lists was also placed on DEQ's web site from May 2 – May 26 and a copy of the web site cover page is included here.

Approval packages related to the four lists were sent to the Board of Environmental Quality prior to their meeting on June 22, 2006. Copies of the Issue Analyses for the CWSRF loan lists and the Board agenda are included as attachments here. DEQ staff made presentations at the Board meeting on June 22 and answered questions about the lists. The Board approved all lists on June 22.